

On the subject of taxes, I wanted to say this. We are going to have some important tax debates coming up on flat tax and consumption tax. The average American family in the 1950's paid 2 percent Federal income tax. The average American family today pays 24 percent Federal income tax. During that period of time, the State and local and other Federal taxes have increased to the extent that middle class families now are paying about 40 to 50 percent taxes, while the real wages have fallen. One of the biggest crises in America today is that the middle class are working their tails off just to stay in place. In many cases they are not even breaking even. So tax increases year after year are anything but the answer. We have got to increase the real wages and increase opportunities and jobs for people.

Mr. CHAMBLISS. It was interesting too that the previous speaker stated that we as Republicans are providing tax cuts to middle class America, and those tax cuts are being given at the expense of Medicare recipients. That is absolutely not true. What he did not tell the folks is that Medicare is a trust fund. Payments that are received by the Federal Government from taxpayers for Medicare go into a trust fund. Those funds can be used only for Medicare beneficiaries.

Tax cuts have no relationship to Medicare trust funds. The tax cuts being given to middle class America are being given to those folks you just talked about, the folks who are hard working, scraping by day-to-day to make a decent living for their families. Those are the folks that are going to receive the benefit of the tax cuts that are going to be put in place. That has absolutely no relationship to Medicare.

Mr. KINGSTON. Mr. Speaker, I think the point the gentleman has also made on taxes is that in reality we have not passed a tax cut. We have not really passed anything, because the House, while it has done all kinds of work, all kinds of reform legislation to reduce the size of government and the micro-management out of Washington, legislation which has increased personal responsibility and increased personal freedom, these great pieces of legislation have not moved in the other body, nor have they been signed by the Executive Branch. Here we are coming into a rude awakening October 1st.

#### AMERICANS WANT CHANGE NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I went home for the August recess and a funny thing happened before I went home for the August recess. I listened to all these political pundits in Washington, read Wall Street Journal articles that said this is the most revolutionary House of Representatives ses-

sion since Reconstruction. I heard people telling us day in and day out we were too radical, revolutionary, too extreme, we were moving too fast.

Then I went home, and I held 30 town hall meetings across my district. I made over 100 speeches across my district. I talked to editorial boards, I went on talk radio, I went on TV. I worked my district for over 30 days and talked to more people in my district than I bet any other elected official has ever worked the district in 30 days in northwest Florida, and the message I got from them was quite different than the message I get from reading the Washington Post or listening to Peter Jennings.

They said what are you doing up there? Nothing is happening. You guys need to push it forward. You need to push change. We sent you up to Washington, DC. in November to make a difference and make a change. Now, do something.

I will tell you, it was a rude awakening. It shows how there is an incredible disconnect between Washington, DC. speak and what people in middle America are saying, and in the area that political pundits consider fly-over space between Washington, DC and Hollywood, CA.

Let me tell you something: The same voter anger that was out there in November of 1994 is still out there in August and September of 1995, and the Americans want us to move forward with our revolutionary agenda.

Now, they say it is revolutionary. I am going to tell you, I do not think it is revolutionary to balance the budget. I do not think it is so radical for the Congress to only do what middle class Americans have done for over 200 years, and only spend as much money as they take in. I do not think it is radical to cut burdensome regulations. I do not think it is extreme to give people their money and their power back.

What is so extreme and revolutionary to adhering to the Constitution? If the 10th amendment tells us that the Federal Government can only do what the Constitution specifically says it can do, and then the rest of the powers are reserved to the people and to the States, that ain't revolutionary by 1995 standards. Let us quit lying to the American people. That may have been revolutionary back 230 years ago, but let me tell you, it is constitutional mainstream thought today. The American people have realized it. I am just wondering when everybody else inside the beltway is going to realize it.

I will tell you, my feeling is if that is revolutionary, then count me in. We have got to cut taxes. We have got to balance the budget. We have got to slash regulations. My residents are telling me get us out of the United Nations and get the United Nations off American soil. They say cut corporate welfare. They say get the IRS off our backs. They say do something, make something happen, make a difference.

Well, let me tell you something. I came up here and I was fired up. I said

man, I cannot wait to get up to Washington, DC. I have not felt this fired up in over a year since before I came up here and campaigned to get into Congress the first time.

Then the first day back, I have Commerce Secretary Ron Brown come to my committee and testify under oath, under oath, that there is not a penny of corporate welfare in the Department of Commerce budget and that we should not abolish the Department of Commerce.

Let me tell you something, that is perjury. Plain and simple, that is perjury. The Department of Commerce is stocked with corporate welfare. Everybody in this body knows it. The corporations that get their windfalls from it know it. Bill Clinton knows it, Ron Brown knows it, the administration knows it.

We need to abolish the Department of Commerce. There is a plan coming before this house that is passing through committee that it needs to be abolished. We need to stop handing out corporate welfare, and we need to get Ron Brown, Bill Clinton and the Democrats in this House to support our bill. Abolish the Department of Commerce.

Then we need to move on and abolish the Department of Education bureaucracy, set up in 1979 as a political payoff to the teachers union. We have gone from spending \$14 to \$33 billion on education in the last 15 years and what has it gotten us? Declining test scores, an increase of violence in schools and dropout rates, and an increase in all the things we do not want. It is micro-management from Washington, DC.

When are they going to learn inside the Beltway that Washington, DC cannot micro-manage every single problem across America? We were sent up here to make a difference. We need to stay focused and make a difference, because Americans want change.

Mr. Speaker, that is what we are going to deliver to them.

#### THE APPROPRIATIONS PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I will continue my dialogue with my friend from the First District of Georgia, Mr. KINGSTON. We want to talk for a minute about the process we have been going through here in Congress for the last couple of weeks before the recess and a couple days since we have been back, and that is the appropriations process. We have been taking the money that is received by the government from the taxpayers and deciding exactly how that money ought to be spent, which departments ought to receive what amount of money, what programs ought to be funded, and what programs ought not to be funded.

One thing that we have done, we have made severe cuts in Federal spending. We are going to continue to make severe cuts in Federal spending. We are

not going to accomplish all of the cuts that need to be made in this session of Congress, but we have made a giant step in the right direction.

The gentleman from the First District of course is on the Committee on Appropriations, and he may want to address some specific items we have dealt with over the last couple of years.

Mr. KINGSTON. What we have done is we have eliminated, where we can, we have consolidated, we have reduced, and, in spending we have increased in others, tried to hold the line on. But, for example, there are 163 different Federal jobs training programs, 240 Federal education programs; there are 30 different nutrition programs. Clearly some of these can be eliminated or consolidated so that we can get more money to the needy, where that is required, and balance the budget more than anything.

Out of the 13 appropriations bills we have passed, 12 of them in the House, they all move us toward a balanced budget by the year 2002. I wish, and I know you do, I wish we could do it sooner. But we are working on the process. For the first time ever, when we pass that last appropriations bill, the DC appropriations bill, we have passed a budget that moves towards a balanced budget with a clear ending in sight.

Unfortunately, as you have pointed out, the folks on the other side of the Capitol, the other body, have not passed a lot of the legislation because not only are we trying to balance the budget, but we are trying to reduce the bureaucracy, reduce the micro-management out of Washington, the regulatory burden, and so forth, and increase personal responsibility. They have not done a thing over there, not one thing.

On October 1 the fiscal year ends, and the Federal budget, it is time for a showdown. It has been called up here the great train wreck will be coming, but I think it is going to be the rude awakening or the reality check. Do you want the status quo to continue? The President is going to make that decision. Should the Government continue or is he going to want to shut it down?

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Mr. CHAMBLISS. Spending has been out of control in Congress for too many years now. We have not had a balanced budget in 25 years. We run the largest business in the world right here in this Chamber. And if any member of the business community across the United States ran their business like Congress has been running the business of this country, they would not last 60 days. It is time we put responsibility back in government. That is one thing that November 8 was all about.

Mr. KINGSTON. Just to underscore what you are saying, when Price Waterhouse came in to do the audit, it was Price Waterhouse that came in, they could not audit the House books.

There were too many old-ball ways of doing business. So too many—

Mr. CHAMBLISS. Too many pockets full of money out there and too many strange-looking expenditures of tax money.

But we have done things like today, I was extremely proud that we passed a defense appropriation bill today. I am a member of the Committee on national Security. We have worked extremely hard over the last 7 months, 8 months to put together a defense bill that ensures that we will always be the world's strongest military power. We are the world's greatest country because we are the world's strongest military power. I was very pleased today that that defense appropriations bill passed by a large bipartisan margin. I think we are going to get the military in this country back on the right track because we have cut the defense budget every year for the last 7 years. We have now restored the money. More importantly, we are spending the money from a defense standpoint where the money needs to be spent.

Mr. KINGSTON. Well, it is interesting to note that part of the debate today was interrupted for a Joint Chiefs of Staff briefing to Members of Congress on Bosnia.

It is still a very dangerous world. I believe the military budget is still down 30 or 40 percent of what it was 10 years ago. We are at \$244 billion, I believe it was up to about \$250 billion. I am not 100 percent sure on those numbers offhand. I have them in my office, but I know that the military budget has fallen tremendously from where it was in the mid-1980's.

Mr. CHAMBLISS. And there were some reasons why that should happen. As the cold war with Russia has come to an end, it is time to downsize the military, to get it down to a more manageable figure and something that we can afford. That has been true over the last several years. That is one reason the Defense Department budget has been reduced.

#### PLANNING FOR AMERICA'S ECONOMY

The SPEAKER pro tempore (Mr. HOEKSTRA). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, yesterday I concluded some remarks related to the state of the economy and what it means to working people and members of labor unions. I hastily discussed a solution to the problem at that time. Today I would like to go back and do a more thorough discussion of the solution to the problem.

I laid out the problem yesterday. I think it is only fitting that we spend as much time discussing a proposed solution to it.

I do want to recapitulate a statement that started the whole process yester-

day. That was a statement, I had read a series of statements that I had read from an article that was produced by Lester Thurow. It was an op-ed article in the Sunday, September 3, New York Times.

I was struck by the opening paragraph of that article. The opening paragraph I would like to quote again:

No country without a revolution or military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

I think that is a very strong statement by Lester Thurow, who is a professor of economics at the Massachusetts Institute of Technology. He is just making a factual statement. But it is a very compact and focused statement that all of us ought to really think seriously about.

Mr. Thurow is not a progressive or liberal or politician. Mr. Thurow is an economist. Mr. Thurow I think has been on record numerous times as supporting free trade. He probably supported NAFTA and GATT. Mr. Thurow is not an ideologue. He is an economist, very much respected. Written about 10 books. He has been on the Hill at various hearings testifying numerous times before the Senate and the House, well respected.

I think it is important to take a look at that opening statement and some other things he says, including a statement at the end of his article where he talks about the family.

The traditional family—I am quoting Mr. Thurow again: The traditional family is being destroyed not by misguided social welfare programs coming from Washington, although there are some Government initiatives that have undermined family structure, but by a modern economic system that is not congruent with family values. Besides falling real wages, America's other economic problems pale in significance. The remedies lie in major public and private investments in research and development and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of their employment in the United States. Yet if one looks at the weak policy proposals of both Democrats and Republicans, it is a tale told by an idiot, full of sound and fury, signifying nothing.

So Mr. Thurow, the economist, professor of economics at the Massachusetts Institute of Technology, has sort of summed up the predicament of where we are, and he only touched on the solution. When he says we need a remedy in the area of public and private investment and research and development and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of their employment in the